



**NOTICE OF A MEETING OF THE VINEYARD
REDEVELOPMENT AGENCY BOARD
April 11 – 6:00 PM**

Public Notice is hereby given that the Vineyard Redevelopment Agency Board will hold a meeting on Wednesday, April 11, 2018, starting at approximately 6:00 PM or as soon thereafter as possible following the City Council meeting in the Vineyard City Hall; 240 East Gammon Road, Vineyard, Utah. The agenda will consist of the following:
(clicking on the blue wording will take you to the documents associated with the agenda item.)

Agenda

1. CALL TO ORDER

2. CONSENT ITEMS

- a) [Approval of the March 14, 2018 RDA Meeting Minutes](#)

3. BUSINESS ITEMS

3.1 DISCUSSION AND ACTION - Geneva Nitrogen Application

Geneva Nitrogen is requesting cleanup of soil and groundwater contamination, heavy industrial equipment, asbestos, and railroad tracks. Geneva Nitrogen would prefer up front assistance to complete this project but would be willing to defer some portion to be received on the back end of the project as property tax increment. The RDA Board will take appropriate action.

4. ADJOURNMENT

RDA meetings are scheduled as needed.

The Public is invited to participate in all Vineyard Redevelopment Agency meetings. In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify the City Recorder at least 24 hours before the meeting by calling (801) 226-1929.

I the undersigned duly appointed City Recorder for Vineyard, Utah, hereby certify that the foregoing notice and agenda was emailed to the Salt Lake Tribune, posted at the Vineyard City Hall, the Vineyard city offices, the Vineyard city website, the Utah Public Notice website, and delivered electronically to city staff and to each member of the Governing Body.

AGENDA NOTICING COMPLETED ON: April 9, 2018

CERTIFIED (NOTICED) BY: /s/ Pamela Spencer

PAMELA SPENCER, CITY RECORDER

MINUTES OF THE VINEYARD
REDEVELOPMENT AGENCY BOARD MEETING
240 East Gammon Road, Vineyard, Utah
March 14, 2018 – 7:10 PM

Present

Chair Julie Fullmer
Boardmember John Earnest
Boardmember Tyce Flake
Boardmember Chris Judd

Absent

Boardmember Nate Riley

Staff Present: City Manager/Finance Director Jacob McHargue, Public Works Director/Engineer Don Overson, Assistant City Engineer Chris Wilson, City Attorney David Church, Sergeant Holden Rockwell with the Utah County Sheriff's Department, Community Development Director Morgan Brim, City Planner Elizabeth Hart, City Recorder Pamela Spencer, Building Official George Reid, Water/Parks Manager Sullivan Love, Planning Commission Chair Cristy Welsh

Others Present: Resident and Planning Commissioner Anthony Jenkins and resident David Lauret, Bronson Tatton with Flagship Homes

7:10 PM REDEVELOPMENT AGENCY

Chair Fullmer opened the meeting at 7:10 PM

CONSENT AGENDA:

a) Approval of the February 28, 2018 RDA Meeting Minutes

Chair Fullmer called for a motion.

Motion: BOARDMEMBER FLAKE MOVED TO APPROVE THE CONSENT ITEM. BOARDMEMBER JUDD SECONDED THE MOTION. CHAIR FULLMER, BOARDMEMBERS EARNEST, FLAKE, AND JUDD VOTED AYE. BOARDMEMBER RILEY WAS ABSENT. MOTION CARRIED WITH ONE ABSENT.

BUSINESS ITEMS:

2.1 PUBLIC HEARING – Amendment to the RDA 2017-2018 Budget (RES U-2018-01)

City Manager/Finance Director Jacob McHargue is requesting an amendment to the 2017-2018 Fiscal Year Budget. The RDA Board will by resolution vote to approve (or deny) this request.

Chair Fullmer turned the time over to City Manager/Finance Director Jacob McHargue

Mr. McHargue explained the budget adjustment request. Highlights were:

Revenue \$37,643,782

Mr. McHargue noted that there was an increase in revenue of just over \$1 million. He stated that the increase was due to higher tax increment collected and more higher interest income being collected than they had anticipated. In addition, some of the projects they anticipated funding had stalled.

Expenses \$18,043,900

Mr. McHargue explained that expenses were going down and that staff had tightened up what projects were to be funded this year.

Increase in Fund Balance \$19,599,882 – RDA bonds not being spent this year

RDA Expenses

Contracted Services \$ 50,000 – Engineering for current projects

TIFF Payment \$ 411,900 – Tax increment finance of projects.

Mr. McHargue explained that the RDA had tax sharing agreements where they share the increment on a percentage bases. He said that this was determined by how much tax increment was collected.

RDA Project Request

PI Pond & Pumphouse (6-acre pond on the north end of Main Street)

Increased Costs 25% Contingency

Mr. McHargue explained that when crews were working on the project they ran into a lot of peat moss and bad fill. He said that a majority of the increased costs were due to the bad fill, additional excavation costs, and importing new fill. He said that staff was requesting a 25 percent contingency on the budgeted amount. Assistant City Engineer Chris Wilson said that the anticipated increases would be about \$270,000. He noted that the other additional costs would be change orders and small design changes. Mr. McHargue said that the 25 percent contingency would take the project to \$290,000, which would give them a small buffer for other contingencies.

Boardmember Earnest asked if the contingencies were for a preapproved project. Mr.

McHargue explained that these were unanticipated expenses on an existing project.

Boardmember Earnest asked if the 25 percent would be sufficient to complete the project. Mr.

Wilson stated that staff was confident that it would cover expenses until the end of the project.

Mr. McHargue explained that they were going to include contingencies in the bid approvals on all future projects. Mr. Wilson added that staff had tried to do their due diligence before they even started the project.

Chair Fullmer called for a motion to open the public hearing.

Motion: BOARDMEMBER JUDD MOVED TO OPEN THE PUBLIC HEARING AT 7:14 PM. BOARDMEMBER FLAKE SECONDED THE MOTION. CHAIR FULLMER, BOARDMEMBERS EARNEST, FLAKE, AND JUDD VOTED AYE. BOARDMEMBER RILEY WAS ABSENT. MOTION CARRIED WITH ONE ABSENT.

Chair Fullmer called for public comments. Hearing none, the public hearing was closed.

Motion: BOARDMEMBER JUDD MOVED TO CLOSE THE PUBLIC HEARING AT 7:14 PM. BOARDMEMBER FLAKE SECONDED THE MOTION. CHAIR FULLMER, BOARDMEMBERS EARNEST, FLAKE, AND JUDD VOTED AYE. BOARDMEMBER RILEY WAS ABSENT. MOTION CARRIED WITH ONE ABSENT.

Motion: BOARDMEMBER JUDD MOVED TO APPROVE RESOLUTION NUMBER U-2018-01 AS PROPOSED. BOARDMEMBER EARNEST SECONDED THE MOTION. ROLL CALL WENT AS FOLLOWS: CHAIR FULLMER, BOARDMEMBERS EARNEST, FLAKE, AND JUDD VOTED AYE. BOARDMEMBER RILEY WAS ABSENT. MOTION CARRIED WITH ONE ABSENT.

ADJOURNMENT

Chair Fullmer called for a motion to close the RDA meeting and return to the regular City Council meeting.

Motion: BOARDMEMBER FLAKE MOVED TO ADJOURN THE RDA MEETING AND RETURN TO THE CITY COUNCIL MEETING AT 7:15 PM. BOARDMEMBER JUDD SECONDED THE MOTION. CHAIR FULLMER, BOARDMEMBERS EARNEST, FLAKE, AND JUDD VOTED AYE. BOARDMEMBER RILEY WAS ABSENT. MOTION CARRIED WITH ONE ABSENT.

MINUTES APPROVED ON: _____

CERTIFIED CORRECT BY: /s/ Pamela Spencer
PAMELA SPENCER, CITY RECORDER



VINEYARD RDA STAFF REPORT

Date: 04-11-2018
Agenda Item: 3.1 Geneva Nitrogen Application
From: Jacob McHargue
Subject: Geneva Nitrogen Application

Background/Discussion:

Over the past few months we have been working with the Geneva Nitrogen to identify potential redevelopment solutions on their 27.36-acre site. They have identified the following projects with projected costs for redevelopment to occur:

Soil and Groundwater	\$3.4M
Demolition to change use	\$1.5M
Demolition to clean soil, groundwater	\$1.5M
Asbestos, insulation abatement	\$500k
RR Track Removal on-site*	\$150k
Total	\$7.05M

Fiscal Impact:

The amount of money contributed to the project will be dependent on the amount of increment generated within the project. Below is a table that shows the estimated tax sharing payments that would be made to the developer based on a tax sharing agreement of 60%.

Estimated Payment Schedule		RDA Tax Sharing	
			60%
Year 1	\$ 427,745.21	Year 9	\$ 427,745.21
Year 2	\$ 427,745.21	Year 10	\$ 427,745.21
Year 3	\$ 427,745.21	Year 11	\$ 427,745.21
Year 4	\$ 427,745.21	Year 12	\$ 427,745.21
Year 5	\$ 427,745.21	Year 13	\$ 154,557.49
Year 6	\$ 427,745.21	Year 14	0
Year 7	\$ 427,745.21	Year 15	0



VINEYARD RDA STAFF REPORT

Recommendation:

We recognize this project as one that warrants participation from the RDA. We recommend that the board approve the performance-based incentive for Geneva Nitrogen, we are proposing a 75/25 split with the RDA assuming the 75% share. We recommend sharing 60% of the increment that is generated on the project over a fifteen-year period starting the year the property is triggered. with a total participation cap of \$5,287,500. An estimated payment schedule is shown above.

Alternatives:

The alternative that was presented to the RDA if we are unable to participate is that the project will continue to operate as a heavy industrial use. There are alternate tax sharing plans the RDA could consider including sharing a higher percentage of the increment or lengthening the amount of time.

Attachments:

Geneva Nitrogen Analysis

Property Taxing Entities	2017 Tax Rate	% of Total Rate
Utah County	0.000779	6%
Alpine School District	0.007167	58%
Central Utah Water Conservancy	0.000400	3%
Vineyard	0.004015	32%
Total	0.012361	100%

RDA Project Participation Rate	75%
SF Conversion	43560
Building Coverage	40%

Office Development	Per Square Foot Value	Area	Total Value
Land Value	\$ 9.38	27.36	\$ 11,179,099.01
Building Value	\$ 142.51	10.944	\$ 67,937,458.41

Total Value	\$ 79,116,557.41
Base Value	\$ 2,217,851.00
Incremental Value	\$ 76,898,706.41

Projected RDA Increment (annually)	\$ 712,908.68
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Estimated Payment Schedule		RDA Tax Sharing	60%
Year 1	\$ 427,745.21	Year 9	\$ 427,745.21
Year 2	\$ 427,745.21	Year 10	\$ 427,745.21
Year 3	\$ 427,745.21	Year 11	\$ 427,745.21
Year 4	\$ 427,745.21	Year 12	\$ 427,745.21
Year 5	\$ 427,745.21	Year 13	\$ 154,557.49
Year 6	\$ 427,745.21	Year 14	0
Year 7	\$ 427,745.21	Year 15	0
Year 8	\$ 427,745.21	Total Payment	\$ 5,287,500.00

Initial Request	7,050,000.00
Recommended Participation	75%
Participation Cap	5,287,500.00

SF Conversion 43560

Type of Development	Address	Acres	2017 Land Value	2017 Building Value	Building SF	FAR	Land Value/SF	Building Value/SF
Office								
Vivint Smart Home Office	3401 N. Ashton Blvd, Lehi	6.00	\$2,711,900	\$16,309,800	127,741	0.49	\$10	\$128
NUVI Office Building	2801 N. Thanksgiving Way, Lehi	7.50	\$2,287,600	\$24,918,200	150,130	0.46	\$7	\$166
Open Edge Office	2578 W. 600 N., Lindon	5.40	\$1,542,900	\$7,781,300	51,774	0.22	\$7	\$150
RedX Office	1411 W. 1250 S. Orem	2.99	\$716,000	\$5,015,200	41,434	0.32	\$5	\$121
Lindon Office Space	275 W. 200 N. Lindon	3.04	\$1,088,300	\$5,452,000	51,206	0.39	\$8	\$106
Orem Office Space	1155 S. 800 E. Orem	2.73	\$1,774,200	\$6,785,400	50,660	0.43	\$15	\$134
Thanksgiving Park Office	3301 N. Thanksgiving Way, Lehi	6.21	\$3,540,300	\$27,830,300	144,807	0.54	\$13	\$192
<i>Average</i>		<i>4.84</i>	<i>\$1,951,600</i>	<i>\$13,441,743</i>	<i>88,250</i>	<i>0.40</i>	<i>\$9.38</i>	<i>\$142.51</i>



Vineyard RDA Development Incentive Application

Use this application to request assistance with backbone infrastructure improvements, environmental remediation, and other necessary projects associated with the Geneva URA project area. ***Applicants are strongly encouraged to attach documentation which supports their proposal.***

1. Applicant Organization: Geneva Nitrogen LLC
Address: 1165 North 1600 West
City/State/Zip: Vineyard, UT 84057
Contact Person: Steve Thompson
Phone/Fax/Email: 801-227-7306 SThompson@gninc.net
Is the Applicant the Property Owner? ☒ Yes ☐ No

2. Describe the type of project being proposed:
☐ Infrastructure ☒ Environmental Remediation
☐ Other _____

Provide a summary description of the proposed project here and attach a detailed scope of the proposed work.

Clean up soil and groundwater contamination, heavy industrial equipment, asbestos, and railroad tracks. Geneva Nitrogen would prefer up front assistance to complete this project but would be willing to defer some portion to be received on the back end of the project as property tax increment.

3. Contribution of the Applicant:
- | | |
|--|--------------|
| Total Estimated Cost of the project (<u>must</u> attach documentation): | \$ 7.05M |
| Contribution /Investment of the Applicant | \$ 1,091K |
| Other sources of funding (specify and attach supporting documentation): | \$ --- |
| Assistance requested from the RDA: | \$ 5,958,847 |
| Total Funding | \$ 5,958,847 |

4. Describe the ability of the site to be developed without assistance.

Without assistance, the ground will stay heavy industrial, which would limit the development potential for the area.

5. Describe the reasonable justification for the need of public investment in this project.

See #4 above. Rezoning from heavy industrial to a commercial use would improve the value for the city.

6. Describe the land area which will be benefitted from the proposed project and the impact to future development.

If the RDA will help with the clean-up efforts, Vineyard could abandon the rail spur and get a better use for a key property in its boundaries.

7. Describe the impact this project will have on new jobs, or the quality of existing jobs (number and average salary).

In its current state, Geneva Nitrogen doesn't employ very many people. If redeveloped, the site could provide many more retail or office jobs on site and to the surrounding property owners.

8. Attach a chart which describes the proposed timeline of the project, including expected dates for start and completion.

See attached timeline.

9. Will the RDA own any of the infrastructure related to this project? If so, describe/elaborate.

The city would own 1200 North if it went through the property.

10. How much taxable value will your project add to the tax rolls? (Indicate whether your estimate is above the existing taxable value or total including the existing value. Also, provide supporting detail for how the estimate was derived.)

The baseline value for the property is \$2.2 million. Improved Regional Commercial or similar type build-out using comparable properties in the area with similar densities provides total land use value estimates of \$75-\$80 million.

The RDA may require additional information related to this application before a decision is made.

Signature of Applicant  Date Apr 3, 2018

Printed Name Steven R Thompson Title President

Attachment to Geneva Nitrogen LLC RDA Incentive Application

Estimated Costs:

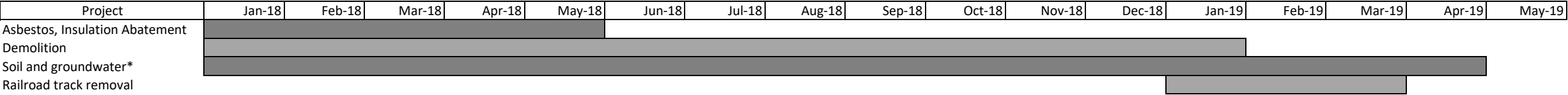
Project	Estimate	Range	Source
Soil and Groundwater	\$3.4M	\$3.1M - 10.2M	AECOM
Demolition to change use	\$1.5M	\$1.0M - 2.5M	GN Engineering estimate
Demolition to clean soil, groundwater	\$1.5M	\$1.0M - 2.5M	GN Engineering estimate
Asbestos, insulation abatement	\$500k	\$500k - 750K	Eagle Environmental
RR Track Removal on-site*	\$150k	\$150k - 200k	GN Engineering estimate
Total: \$7.05M		\$5.75M - 16.15M	

GN Contributions to Date:

Project	Actual
Soil and Groundwater	\$ 640,505
Demolition to change use	\$ 111,746
Asbestos, insulation abatement	\$ 338,902
Total: \$	1,091,153

*Note: Only to be included if not fully paid by Vineyard

Geneva Nitrogen Demolition and Clean-up Timeline



*Note: This timeline represents time for active remediation and testing to complete Voluntary Cleanup Program with the State of Utah and issuance of certificate of completion. Long term monitoring of groundwater may continue past this date.
This timeline also assumes sub-surface spring water issues are resolvable by Vineyard and CUWCD in timeline established.